

MINUTES OF MEETING

RHODE ISLAND AIRPORT CORPORATION

BOARD OF DIRECTORS

WEDNESDAY, APRIL 26, 2017 AT 4:30 PM

IN THE MARY BRENNAN BOARD ROOM

T. F. GREEN AIRPORT

2000 POST ROAD, WARWICK, RHODE ISLAND

The meeting of the Rhode Island Airport Corporation (Corporation) Board of Directors was called to order by Chair, Jon Savage at 4:30 p.m., in the Mary Brennan Board Room at 2000 Post Road, Warwick, Rhode Island, in accordance with the notice duly posted pursuant to the Open Meetings Law.

BOARD MEMBERS PRESENT: Jon Savage; Russell Hahn; Heather Tow-Yick; Christopher Little, Michael Traficante and Deborah Thomas

BOARD MEMBERS ABSENT: Gregory Pizzuti

ALSO PRESENT: Iftikhar Ahmad, President and CEO, and those members listed on the attendance sheet attached hereto.

1. Approval of the Minutes:

A motion was made by Ms. Tow-Yick to approve the minutes of the Board of Director's Meeting of March 22, 2017. The motion was

seconded by Mr. Little.

The motion was passed unanimously.

2. Open Forum:

**Mr. Savage asked if anyone present wanted to speak in Open Forum.
No one came forward.**

3. Report from the President and CEO:

Mr. Ahmad presented the President and CEO Report and reported on the following:

- Mr. Ahmad stated we continue to have monthly meetings with Mayor Avedisian to have an open dialogue.**
- Mr. Ahmad stated a community meeting was held on April 17th in the Block Island town hall to discuss community concerns surrounding the operation of a helicopter tour operator. Several constituents raised concerns about the noise. The meeting was cordial and we expressed our commitment to working with the community to help mitigate concerns to the extent practicable without violating Grant Assurances. It was noted that airspace and aircraft operations fall under the jurisdiction and enforcement of the FAA.**

- **Mr. Ahmad stated we are assessing our food and beverage operations and looking at ways to increase aesthetics and customer satisfaction to increase non-airline revenue.**

- **Mr. Ahmad stated the free wifi has been expanded and upgraded. This new system will provide faster service and better coverage for the public areas.**

- **Mr. Ahmad stated the new turning radius and tie-in of Taxiway M into the existing threshold of Runway 5 has been completed. Mr. Ahmad stated the temporary fence has been removed which has re-established AOA to include the realignment of perimeter road and the entire construction area. All construction going forward will be inside the AOA.**

- **Mr. Ahmad stated we are working closely with the CBP manager and consultants to complete the FIS project on time. We will have a briefing from Engineering in a few moments.**

- **Mr. Ahmad stated we met with a Warwick Councilman and the City Planner regarding construction and followed up with any requested information.**

Mr. Ahmad asked Mr. Andrade to provide an update on the February Operations Report.

Mr. Andrade noted that February 2016 was a leap year with one additional day. There were increases in both daily carrier seats and daily departures in February 2017. Mr. Andrade stated the passenger counts for the month were down 4.2% and year to date total passengers were slightly above the prior year.

Mr. Ahmad asked Mr. Schattle to provide an update on the Statements of Revenues and Expenses.

Mr. Schattle explained that overall airline revenue has increased over the prior year by approximately 4.69% for the month of February. Mr. Schattle explained that the increase in aircraft parking, loading bridges and other revenues was primarily due to American returning certain lease space and utilizing certain gates on a per-turn basis. Mr. Schattle noted a 5.06% increase in the non-airline revenue for the month of February. Food and beverage revenues increased primarily due to an increase in the minimum annual guarantee with HMS Host. Mr. Schattle explained that news and gifts revenue continues to outpace our enplanements trend. Mr. Schattle noted the continuation of growth for on airport parking. Ms. Thomas asked how the airport parking is trending compared to the expectations from the acquisition of the property formerly used by an off-airport parking operator. Mr. Schattle answered that revenues have increased as expected.

Mr. Schattle noted total operating expenses for the month were down

2.99%. Mr. Schattle noted an increase in advertising, printing and marketing expense and noted that these expenses can be impacted by the scope and timing of advertising campaigns. Mr. Schattle noted the contractual services had an increase primarily due to the cleaning of the glycol tanks and jet bridge repairs. Mr. Schattle explained the General Aviation Airports revenue increased primarily due to increased fuel sales. Mr. Schattle noted the decrease in interest expense is related to the refunding of certain bonds and that contributed capital grant income can fluctuate. Mr. Schattle explained the facility revenues consist of revenues associated with the Interlink Facility.

Mr. Schattle noted that year to date airline and non-airline revenues have increased over the prior year. Mr. Schattle explained the automobile parking accounts for the majority of the increase in non-airline revenues. Mr. Schattle discussed the increase in overtime and shared that the operating departments are reviewing with an effort to reduce costs. Mr. Schattle discussed year to date operating expenses and noted the advertising, printing and marketing expenses have increased over the prior year. Mr. Schattle noted the legal fees line item includes operating legal fees and that costs associated with a project are capitalized. Mr. Schattle noted the General Aviation airports revenue includes fuel sales and the net operating income has increased year on year. Mr. Schattle discussed the non-operating revenues and expenses and the Interlink Facility revenues and expenses.

4. Department Updates:

(a) FIS Facility Update

Mr. Seabury reviewed the FIS exhibits noting existing and new areas pointing out the united space and new police locker rooms. Mr. Ahmad explained the yellow shading on the exhibits was added space. Mr. Ahmad noted the current passenger numbers and que times for the existing FIS and what the new FIS will consist of. Mr. Seabury reviewed the United build out in more detail showing the new office space. Mr. Seabury explained the table of progress for this project and reviewed a current estimate slide indicating the extra requirements imposed. These numbers are under review.

(b) Presentation from Winning Team of the URI Business Competition

URI students provided an in depth presentation on their business model and marketing campaign completed for the business competition held at the airport. The students focused on three specific targets with research from social media posts, observation, interviews and secondary research articles. Ms. Tow-Yick asked if twitter was used. The students noted they focused on yelp and facebook but they did look at twitter as well. Mr. Hahn asked if they used a proforma component for capital expenditures to build the items. The students answered that yes, they are all in the report. Mr.

Ahmad introduced the URI professor Ms. St. Laurent.

5. Action Items:

(a) Approval of (1) Construction Contract with Northeast Noise Abatement Corporation in the amount of \$3,226,000 and (2) Consultant Task Order with the Jones Payne Group in the amount of \$612,280 for Phase 5 of the Sound Mitigation Program at T. F. Green Airport.

Mr. Porter provided information on the Sound Mitigation Program noting the number and location of buildings completed and that need to be completed. Mr. Traficante asked if there were any asbestos problems during the process. Mr. Porter answered there is allowance built into the bid and during Phase 1 there is a mitigation plan. It is not something that appears often. Mr. Porter explained there was only 1 bid received and FAA was aware. Mr. Hahn asked what the level of residence satisfaction was with the chosen company. Mr. Porter answered we are very pleased with the contractor and the end products and there is nothing but positive responses. Ms. Tow-Yick questioned if the homeowners are given home evaluations with increases after the sound insulation is completed. Mr. Porter answered that post construction, there is a survey after for residents. Ms. Tow-Yick asked of the 40 non-responsive homeowners, what attempts have been made to reach them. Mr. Porter explained that phone calls were placed, letters were sent and door tags were handed

out.

A motion was made by Mr. Little and seconded by Mr. Hahn to approve the recommendation.

The motion was passed unanimously.

(b) Approval of (1) Construction Contract with R. Zoppo Corporation in the amount of \$527,826; and (2) Consultant Task Order with the Louis Berger Group, Inc. in the amount of \$125,418.62 for the Triturator Upgrade at T. F. Green Airport.

Mr. Little recused himself and stepped away from the table.

Mr. McDonough explained the Triturator system and use noting the current sewer system is beyond its useful life. Mr. McDonough noted the task order amount submitted came in under budget. Mr. Traficante asked if the airlines paid for their sewer usage fee. Mr. Schattle noted the whole operation cost of the airfield is found in the net revenue calculation. Mr. Hahn inquired about the company and if they were fully vetted. Mr. McDonough answered yes.

A motion was made by Mr. Traficante and seconded by Ms. Thomas to approve the recommendation.

The motion was passed by five affirmative votes. The vote was as

follows:

YEAS: Heather Tow-Yick

Russell Hahn

Jon Savage

Deb Thomas

Mike Traficante

NAYS: None

RECUSAL: Christopher Little

(c) Approval of a Second Amendment to the General Aviation Airport Management Agreement with AvPorts/AFCO LLC providing for a one-year extension to the Agreement under the same terms and conditions.

Mr. Andrade provided information on the consideration of the one-year extension of the AvPorts management agreement. Mr. Andrade noted the goal is to separate the management and operation of the airport into two, which is consistent within the industry. Mr. Traficante asked if it would be two separate collective bargaining units. Mr. Andrade answered that they would be moved into ours.

A motion was made by Mr. Traficante and seconded by Ms. Tow-Yick to approve the recommendation.

The motion was passed unanimously.

(d) Approval of a Lease, Operating and Security Agreement with Franklin Exhibit Management Group, LLC for the purpose of the Restoration and Display of an “Air Force One” Exhibit at Quonset State Airport.

Mr. Cloutier explained the exhibit would foster aviation and generate revenue. Mr. Cloutier presented a diagram showing the location of the exhibit and function space and noted the lease terms. Mr. Hahn asked if anything were to go wrong, how much would we get in scrap for the exhibit. Mr. Cloutier answered the steps that would be needed if this occurred and the security we have in the agreement.

A motion was made by Mr. Traficante and seconded by Mr. Hahn to approve the recommendation.

The motion was passed unanimously.

6. Executive Session:

At approximately 5:32 p.m. a motion was made by Ms. Tow-Yick and seconded by Mr. Little to go into Executive Session for the purpose of discussing the following items:

The Board will seek to go into Executive Session for the following stated purposes:

(a) Motion to Approve the Minutes of the Executive Session held on March 22, 2017 § 42-46-5(a), (2) and (7); and

(b) Investment of Public Funds Where Premature Disclosure Would be Detrimental to the Public Interest (Air Service Development and Marketing Program) – R.I.G.L. § 42-46-5(a)(7); and

(c) Discussions Regarding Security (FIS Renovations) – R.I.G.L. § 42-46-5(a)(3); and

(d) Discussions Related to One Potential Non-Public Litigation Matter (Construction Dispute) – R.I.G.L. § 42-46-5(a)(2); and

(e) Motion to Return to Open Session.

By the following roll call vote the motion was passed unanimously.

YEAS: Heather Tow-Yick

Christopher Little

Russell Hahn

Jon Savage

Deb Thomas

Mike Traficante

NAYS: None

ABSTAIN: None

At approximately 6:32 pm, a motion was made by Ms. Tow-Yick and seconded by Mr. Hahn to return to Open Session.

The motion passed unanimously.

7. Post Executive Session Actions and Announcements:

(a) Motion to Seal the Minutes of the Executive Session Held on April 26, 2017.

A motion was made by Ms. Tow-Yick and seconded by Mr. Savage to seal the minutes of the Executive Session in accordance with R.I.G.L. § 42-46-4.

By the following roll call vote the motion was passed unanimously.

YEAS: Heather Tow-Yick

Christopher Little

Russell Hahn

Jon Savage

Deb Thomas

Mike Traficante

NAYS: None

ABSTAIN: None

(b) Report on Actions Taken in Executive Session.

During the Executive Session a motion was made by Mr. Hahn and seconded by Mr. Little to approve the sealed minutes of the Executive Session held on March 22, 2017.

The motion was passed unanimously.

8. Future Meetings:

The next Board Meeting will be held on Wednesday, May 24, 2017 at 4:30 p.m., in the Mary Brennan Board Room, T. F. Green Airport, Warwick, Rhode Island.

9. Adjournment:

Mr. Hahn moved to adjourn at approximately 6:40 pm. Mr. Little seconded the motion.

The motion was passed unanimously.

Respectfully submitted,

Jon Savage, Chair

Rhode Island Airport Corporation

**PUBLIC ATTENDANCE SHEET
RHODE ISLAND AIRPORT CORPORATION
MEETING OF THE BOARD OF DIRECTORS
WEDNESDAY, MARCH 22, 2017**

NAME AFFILIATION

Brian Schattle RIAC

Alan Andrade RIAC

Alicia Seabury RIAC

Donna Melone RIAC

Sherri Ann Penta RIAC

Paul McDonough RIAC

Timothy Pimental RIAC

Bruce Wilde RIAC

Annette Jacques RIAC

Leo Messier RIAC

Dan Porter RIAC

Doug Dansereau RIAC

Steve Cahill RIAC

David Cloutier RIAC

Eric Seabury RIAC

Jeff Goulart RIAC

Patti Goldstein RIAC

Randy Costa RIAC

Jack Thomas RIAC

Nicole Williams RIAC

Robert Goff New England Parking
NAME AFFILIATION

Brianna Smith URI

Diane St. Laurent URI

Melanie Hoffman URI

Samantha Pacheco URI

Andy Nielsen Governor’s Office

Frank Allard DIMEO

The minutes of the Executive Session of the Board Meeting April 26, 2017 have been sealed in accordance with R.I.G.L. § 42-46-4.